

O-253-09

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2425284

BY CROSS VETPHARM GROUP LIMITED

TO REGISTER IN CLASS 5 THE TRADE MARK:

GERMEX

AND

IN THE MATTER OF OPPOSITION NO 96491 BY

DIMMINACO AG

TRADE MARKS ACT 1994

**In the matter of application No 2425284
by Cross Vetpharm Group Limited
to register in class 5 the trade mark GERMEX**

and

**In the matter of opposition No 96491 by
Dimminaco AG**

Background

1. Cross Vetpharm Group Limited (“Cross”) applied for the above trade mark on 13 December 2005. The application was originally a Community Trade Mark but is now a national application following a request for conversion; nothing turns on this point. Registration is sought for “veterinary pharmaceutical preparations and substances” in class 5 of the Nice classification system¹.

2. On 27 February 2008 opposition to the registration of Cross’ application was made by Dimminaco AG (“Dimminaco”). Dimminaco bases its opposition (under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”)) on its earlier trade mark for the word ZERMEX. The earlier mark is registered for “veterinary preparations and substances” in class 5. The earlier mark was registered before the period of five years ending on the date of publication of Cross’s mark². In view of this, the proof of use provisions contained in section 6A³ of the Act apply. Consequently, the earlier mark may only be taken into account in these proceedings to the extent that it has been used or that there are proper reasons for non-use. Dimminaco claims to have used its mark in relation to “veterinary preparations and substances for use in connection with treatment against parasites in sheep”.

3. Cross filed a counterstatement denying the grounds of opposition. Cross also put Dimminaco to proof on its claim to have used its mark as set out above.

4. Only Dimminaco filed evidence, this is summarised below. Neither side requested a hearing, although, Dimminaco did file written submissions. Cross did not file any written submissions, however, I will take into account its arguments in its counterstatement.

¹ International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement.

² Cross’ mark was published on 30 November 2007 and Dimminaco’s earlier mark completed its registration procedure on 5 August 1994.

³ Section 6A of the Act was added to the Act by virtue of the Trade Marks (Proof of Use, etc.) Regulations) 2004 (SI 2004/946) which came into force on 5th May 2004.

Dimminaco's evidence

5. The evidence is given by Mr Nigel Robinson the "Business Unit Manager" and Company Secretary of Fort Dodge Animal Health Limited ("FDAH"). FDAH and Dimminaco are related companies and are both subsidiaries of Wyeth. Mr Robinson is responsible for the sales, marketing and technical support for the ZERMEX range of products in the UK.

6. It is stated that the ZERMEX brand was launched by FDAH in April 2000 and that it is sold throughout the UK. It is a parasiticide which can be found in treatments for the prevention and control of gastro-intestinal worms, respiratory tract worms and certain external parasites in sheep and cattle. Farmers obtain the products through Downland Group which consists of 30-40 franchise members. From Exhibit NR1, the franchisees appear to be distributors of animal health products. This exhibit (which is about the Downland Group) also features a picture of the ZERMEX product in relation to an "oral drench for sheep".

7. Exhibit NR2 contains a number of invoices relating to the sale of ZERMEX products (along with some other products e.g. CYD sheep, DYSECT, FLECTON). The customer details are redacted, but given Mr Robinson's earlier statement they must be franchisees of the Downland Group. Sales of ZERMEX products in the UK are said to be worth in excess of £10 million from the years 2000 to 2007 and that ZERMEX enjoys between a 6%-15% market share in the respective sheep and cattle endectocide markets.

8. It is stated that since the launch of ZERMEX in excess of £150,000 has been spent on promotion by way of advertising in trade journals, brochures, exhibitions, newsletters etc. Exhibit NR3 contains some of this advertising material. Most are simply advertisements for the ZERMEX product. Although it is stated that these appeared in the trade press, no information as to the particular publications they appeared in is provided nor the frequency of such advertising. The ZERMEX name is, however, clearly prominent and relates to an oral drench (for worms) for sheep, a pour on product (for worms) for cattle, an injectable solution for sheep (presumably for similar purposes). Some of the advertisements also provide information about worms and the problems they cause, with ZERMEX then being promoted as the solution (in relation to cattle). Also provided is what appears to be a newsletter provided to members of the Downland Group highlighting the ZERMEX product (its "flagship" brand) to its members which should in turn be recommended to their farmer customers. The packaging used for the goods is also shown here, again, the ZERMEX name is prominent.

9. Exhibit NR4 consists of what Mr Robinson describes as "examples of third party references to the ZERMEX product in the press and on the Internet during the period 2002 to 2008". The exhibit contains information put out by the Downland Group (presumably to its customers) which contains an advertisement for ZERMEX. Also provided is a technical product information sheet about the

characteristics of ZERMEX; the source of this document is unknown but it appears to be some form of marketing authorization information. Also contained in this exhibit is an extract from "Jobsons Farm Health". Although the web-site carrying the article is a .co.uk website, the date is not clear. It was printed on 2 December 2008 but carries information that the product is offered with delayed payment to November 2000. The article makes a number of mentions of the ZERMEX name. There is also an extract from the online British Farming Forum. In a discussion on this forum (in May 2007) regarding the availability of a product on the market capable of killing both worms and ticks on sheep in a single dose, one user (Derrick) refers to the availability of:

"ZERMEX, a unique persistent wormer, has recently been launched by Downland. Also available in sheep drench and cattle pour on forms, the sheep injection is the only endectocide to provide at least 28 days protection from scab."

10. Another user responds:

"Hi ya

Can't say I have ever heard of any thing that works that way wooly a pour on would be great..

What happened to ya new toy?? That would fix ya ticks and ya would only really have to handle the sheep once

Makes me wonder about that stuff derrick I note the deal they had ended in nov 2000 may not have flowen too well"

11. The final document in NR4 is a document (dated 24 November 2006) that appears to have been issued by the Environment Agency entitled "An Appraisal of the Options for Responding to the Risks and Impacts Associated with Sheep Dip Products". On page 39 of 40 of this report is a list of medicinal products authorized in the UK for use against ectoparasites in sheep. ZERMEX is listed in this.

12. Mr Robinson completes his evidence by stating his view that recognition of the ZERMEX brand is extremely high due to the "considerable promotion, awareness, expansion and success of the ZERMEX brand".

Proof of use

13. As stated in paragraph 2, the proof of use provisions apply to Dimminaco's earlier mark. The question is whether there has been genuine use of the mark and, if there has been, for what? The relevant period for this assessment is the five year period ending with the date of publication of Cross' application, namely **1 December 2002 to 30 November 2007**.

14. The leading authorities on the principles to be applied in determining whether there has been genuine use of a mark are the judgments of the European Court of Justice ("ECJ") in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 ("*Ansul*") and *Laboratoire de la Mer Trade Marks* [2006] F.S.R. 5 ("*La Mer*"). From these judgments, the following points are of particular importance:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*La Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*La Mer*, paragraph 34);

-the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*La Mer*, paragraph 44).

15. On the face of it, the evidence presented by Dimminaco appears to establish a trading presence on the relevant market. The mark has been used since 2000, it appears to enjoy a reasonable market share, it has also been promoted in trade directories. There is however some paucity in the evidence. The trade directories are not identified nor the frequency of advertising. The sales/promotion figures are not broken down by year. Furthermore, the discussion on the British Farming Forum refers to the recent launch of ZERMEX despite the discussion taking place in 2007. Although this can be explained quite easily due to the fact that the user appears to have merely replicated the extract from Jobsons Farm Health, the second response I identified above does not seem to be one that points towards a well known and used product. Having said that, this does not undermine the headline figures set out by Mr Robinson in his evidence, facts which Cross have not sought to challenge.

16. The use is not internal to the proprietor. It is not merely token. It is sufficient, as represented by the evidence, to have created or maintained a share in the relevant market. Although the actual use appears to have been made by FDAH, the relationship explained by Mr Robinson means that this can be taken (absent a challenge from Cross) as use with the consent of Dimminaco.

17. However, the earlier mark can only be relied upon to the extent that it has been used. This requires an assessment of the goods on which the mark has been used. Such an assessment must also be based upon the claim put forward by Dimminaco. I can take the goods no wider than that claimed. This is important here because the evidence relates to goods for use with cattle and sheep whereas the claim relates to sheep only. The statement of use reads:

“veterinary preparations and substances for use in connection with treatment against parasites in sheep”.

18. Taking into account the relevant case-law⁴ the resulting specification should be fair – it should not be overly broad but neither should it be pernickety. The statement of use certainly represents the nature of the goods being sold. It cannot be criticised as being overly broad. Whether it is too pernickety is another matter, however, I cannot go wider than the goods claimed. For this reason, I intend to adopt the statement of use as the goods on which the opposition should be based.

⁴ See, for example *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-126/03 & *Animal Trade Mark* [2004] FSR 19.

The section 5(2)(b) ground of opposition

Legislation and the relevant authorities

19. Section 5(2)(b) of the Act states:

“5.-(2) A trade mark shall not be registered if because –

(a)

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

20. When reaching my decision I have taken into account the guidance provided by the ECJ in a number of judgments germane to this issue, notably: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). The above judgments set out the primary principles to be applied in matters such as these; I will refer to them, if and when relevant, in more detail later in this decision.

Comparison of the goods

21. The goods to be compared are:

Dimminaco’s goods: Veterinary preparations and substances for use in connection with treatment against parasites in sheep.

Cross’ goods: Veterinary pharmaceutical preparations and substances.

22. Dimminaco’s goods are more narrowly defined than Cross’ goods, indeed, they fall within the ambit of Cross’ goods being a particular type of veterinary preparation or substance for a particular animal. The use of the word “pharmaceutical” in Cross’ specification does not alter this. Cross’ specification, therefore, contains identical goods to Dimminaco’s earlier mark⁵. I accept, given the breadth of terminology, that there may be other goods in Cross’ specification that are not identical, or are similar to varying degrees, or there may even be

⁵ See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-133/05

some goods that are not similar at all (although Dimminaco dispute this), however, Cross has not put forward any revised or limited specification for consideration and analysis. It is therefore sufficient to say that the competing specifications are identical.

The average consumer and the purchasing act

23. As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who this is. The goods relate to veterinary preparations and substances, but, given where I have found identity, such preparations are for the treatment against parasites in sheep. Cross argue that a veterinary professional would be the average consumer and that such a person would pay particular care and attention to the goods that they are choosing. Dimminaco suggests that there is more than one average consumer to consider as consumers such as farmers should also be taken into account. It also argues that the goods are ordered in high-volume quantities (I presume this argument is made to suggest that the goods are not purchased with a high degree of care and attention).

24. In terms of the average consumer, I agree with Dimminaco that there are two types of average consumer to consider, namely, farmers and veterinary professionals. In terms of the purchasing act, the case-law informs me that the average consumer is to be regarded as reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). This general presumption can, however, change depending on the particular goods in question (see, for example, the decision of the CFI⁶ in *Inter-Ikea Systems BV v OHIM* (Case T-112/06). This is a case in point. I say this because the purchase of a veterinary preparation to treat parasites is unlikely to be a casual purchase. Prior to the purchase the product is likely to be examined for precise information about its purpose, method of dosing etc. Although these pieces of information do not necessarily relate to the trade mark, it is inevitable that such a process will put the trade mark clearly before the consumer. The importance of purpose will also mean that the trade mark itself and its producer are likely to be an important factor. It is also a purchase that is made relatively infrequently. The fact that sometimes large quantities may be purchased does not lessen the degree of care and attention. Indeed, this could mean an even greater degree of care and attention being utilised because of the inevitable higher cost of such a transaction. Both types of average consumer are likely to be knowledgeable in relation to the health problems of the animal to be treated, the required veterinary preparation to treat the problem, and the alternative treatments (including alternative products and brands) that are available; this is more so for the veterinary professional, but still significant in relation to farmers. This all points towards a highly considered purchase.

⁶ The Court of First Instance of the European Communities

25. No evidence has been presented to show how these types of goods are generally sold. Dimminaco argue in its submissions that telephone ordering and re-ordering is the predominant method, however, it has presented no evidence to support this. It seems to me that the goods could be purchased through a number of mechanisms including mail order, over the Internet via a web-site, or perhaps in agricultural shops. In the shops, the goods could be on the shelves or, alternatively, could be behind a counter. Most of what I have assessed signifies a visual act of purchase. However, I accept that oral ordering may take place through over the counter requests or, indeed, over the telephone. It seems to me that both the visual and aural considerations and consequent similarities have an equal role to play. Neither dominates the other to any significant extent.

Comparison of the marks

26. When assessing this factor I must do so with reference to the visual, aural and conceptual similarities between the respective marks bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, paragraph 23). The marks to be compared are:

Dimminaco's mark: ZERMEX

Cross' mark: GERMEX

27. In terms of the visual and aural similarities, Cross highlight that the point of difference between the marks is at the beginning of the respective marks and that the letter Z is an unusual letter (compared to a G) which further distinguishes between them. It also argues that the respective marks will be pronounced as ZER-MEX and GERM-EX. Dimminaco argues that the obvious degree of similarity (from the sharing of five of the six letters in each mark) renders the marks significantly similar with the differing letters being insufficient to counterbalance this. It also argues that the marks will be pronounced as ZER-MEX and GER-MEX, so sharing the same rhythm and intonation, having the same ending (MEX) and an extremely close beginning (ZER/GER) with the Z and the G both producing a similar hard sound.

28. From my own analysis of the visual similarities, I note that the marks are of identical length each consisting of six letters. Of their respective six letters, the last five of them (ERMEX) are shared. However, the first letter in each mark is different (a "Z" in Dimminaco's mark and a "G" in Cross' mark) and there is no visual resemblance between these letters (unlike, for example, a "U" and a "V") which may have increased the degree of visual similarity. Whilst the common presence of the last five letters creates an inevitable degree of visual similarity, the impact of the differing initial letters is in no way lost in the overall impression of the respective marks. This is particularly so given that these are not long words. On this, I note the CFI's comments in *Inter-Ikea Systems BV v OHIM*:

“54 As regards the visual comparison between the verbal element of the contested mark and the earlier word marks, the applicant claims that the only difference between them is the presence of the letter ‘d’ in the contested mark and the letter ‘k’ in the earlier word marks. However, the Court has already held in Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler(PICARO)* [2004] ECR II-1739, paragraph 54) that, in the case of word marks which are relatively short, even if two marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them.

55 Accordingly, the degree of visual similarity of the earlier word marks and the verbal element of the contested mark must be described as low.”

29. The above judgment relates to the words IDEA/IKEA which are shorter than the respective marks here. However, I still consider the rationale to be good. Furthermore, the fact that the point of difference is at the beginning of the marks is, I agree with Cross, also likely to be noticed more. Taking all this into account, there is, in my view, only a moderate degree of visual similarity. I note that Dimminaco also made submissions on imperfect recollection – I will come back to this later.

30. In terms of aural similarity, similar considerations apply with the same points of similarity and difference. In terms of pronunciation, Cross' mark will most likely be pronounced as GERM-EX (see my assessment on conceptual similarity which leads me to this conclusion) with the G sound being soft as in Germany or germ. Dimminaco's mark will most likely be pronounced as ZER-MEX (both parties at least agree with this). There is a close (although not identical) rhythm and intonation, but the difference in sound at the start of the marks caused by the respective Z and G sounds creates a point of difference. Overall, as with visual similarity, this means that the degree of aural similarity should be assessed as moderate.

31. In terms of conceptual similarity, Dimminaco argue that both marks appear as invented words with no specific meaning in relation to the goods. However, it goes on to say that:

“From a conceptual standpoint, therefore, the applicant's use of the GERMEX trade mark creates a further association with the opponent's mark by use of the first identifiable component “GERM”, ie if consumers were to read any conceptual meaning into the applicant's trade mark GERMEX, they are likely to extract the first word “GERM” which has an identifiable and well-known meaning in the English Language. The applicant's use of “GERM” as part of the composite trade mark GERMEX, therefore further accentuates a conceptual similarity with the opponent's products which are, in fact, intended for use in the combat of germs, infections and parasites in the animal field.”

32. In *Case T-292/01 Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR the CFI stated:

“Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above.

The fact that one of the marks at issue has such a meaning is sufficient – where the other mark does not have such a meaning or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

33. In view of the above, it is, therefore, clear and specific meanings of which I must be concerned. It is, though, possible that despite the absence of a specific meaning for the mark as a whole, it may nevertheless be suggestive or evocative of something, or of another word⁷.

34. Dimminaco's ZERMEX mark will be seen simply as an invented word. The word as a whole has no meaning nor is it suggestive or evocative of anything else. There is no conceptual hook to the mark. Cross' GERMEX mark is also an invented word. However, I agree with Dimminaco that the average consumers here, taking into account the goods being considered, are likely to notice that the mark is based on the word GERM. Whilst it could be argued that this conceptual root is too subtle, it is sufficiently clear for me to consider. However, where I differ from Dimminaco is on the effect of this. In comparing the similarity between the marks any conceptual similarity or difference must be between the respective marks and not “a conceptual similarity with the opponent's products”. In view of this, I am left with one mark being a completely invented word with no suggestive or evocative qualities with the other, whilst also being an invented word, being an invented word based on a known and meaningful word. GERMEX will give the consumer some form of conceptual hook on which to base his or her subsequent

⁷ See, for example, the decision of the CFI in *Usinor SA v OHIM* (Case T-189/05).

recollections (an invented word based on the word germ). ZERMEX will not. This to my mind must cause some form of conceptual difference. It is not as strong a difference had one or the other of the marks had a specific meaning as a whole, but it is a conceptual difference none the less.

35. Taking all of the above into account, it seems to me that the net effect of assessing the visual, aural and conceptual aspects of the respective marks is that the degree of similarity between the marks is at the lower end of the spectrum.

Distinctive character of the earlier trade marks

36. The distinctiveness of the earlier mark is another factor to consider because the more distinctive it is (based either on inherent qualities or because of the use made of it), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). From an inherent point of view, I have already found Dimminaco's ZERMEX mark to be an invented word with no suggestive or evocative qualities. The mark, from an inherent point of view, therefore has a reasonably high degree of distinctive character.

37. In terms of the use made of the earlier mark, from my assessment made in relation to the proof of use provisions, the mark is used and has been used since 2000. Furthermore, the sales and market share it has achieved are not insignificant. It is also reasonable to assume that some consumers who do not buy ZERMEX and instead buy a competing product will nevertheless know of ZERMEX. There is, however, some paucity in the evidence as I commented earlier. Nevertheless, the evidence presented does point towards a degree of use that it likely to have enhanced, to some extent, the overall degree of distinctiveness of the earlier mark. I regard the mark as highly distinctive within the relevant field.

Likelihood of confusion

38. It is clear that the relevant factors have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17) and that a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer(s) and determining whether they are likely to be confused.

39. I note Dimminaco's reference to a number of decided cases where confusion between similar pharmaceutical/veterinary brands has resulted in a likelihood of confusion. I have borne these in mind, but, each case and each set of marks under comparison must be assessed on its own merits and facts. I also note that Dimminaco highlight that Cross has filed no evidence of use of its own mark or

evidence as to the derivation of the brand name. This may be true, but the absence of such evidence does not increase the likelihood of confusion.

40. The respective goods are identical and the earlier mark has a high degree of distinctiveness; this points towards confusion being likely. However, I have found that the marks have only a low degree of similarity and that the purchasing act will be a considered one; this points away from confusion. I must bear in mind the concept of imperfect recollection which relates to the fact that consumers rarely have the chance to make direct comparisons between trade marks and must instead rely on the imperfect picture of them he or she may have kept in mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.*) This is a key argument put forward by Dimminaco in its submissions. However, it seems to me that the considered nature of the purchasing act is one that would mitigate, to some extent, the capacity of confusion to arise from imperfect recollection. This is more so given that the GERMEX mark will create some form of conceptual hook (based on the inclusion of the word GERM) to provide further mitigation. Dimminaco highlight oral confusion as being a greater possibility, however, in the assessments I have already made I have found that the degree of aural similarity is no higher than visual similarity and, furthermore, there is no evidence to suggest that the goods will most often be ordered orally. Taking all the above into account, and balancing the respective factors, my finding is that both types of average consumer will be able, notwithstanding the concept of imperfect recollection, to distinguish between the two marks. **There is no likelihood of direct confusion.**

41. There is a secondary consideration, namely, that even though the marks may not be directly confused and mistaken for one another, the average consumer will, nevertheless, believe that the goods sold under the respective marks are the goods of the same or an economically linked undertaking (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). Domminaco's argument on this is based on the inherent similarities between the marks, the distinctiveness of its earlier mark and the fact that "the applicant's mark evokes connotations of the opponent's' specific therapeutic application". Mere association is not enough (*Marca Mode CV v. Adidas AG + Adidas Benelux BV*), it is only an association which leads the average consumer to assume that the goods come from the same stable (perhaps as a variant brand extension) that can create a likelihood of confusion. Whilst I can see the argument, it seems to me that the average consumer during his or her considered purchase is unlikely to make an association that leads to such an assumption. It is not as though Domminaco have a family of marks in use that are all based on the suffix ERMEX. Nor would a move from a completely invented word (ZERMEX) to one based on a known English word (GERMEX) be an obvious extension. It seems to me, notwithstanding the identity between the goods, the distinctiveness of the earlier mark, and the point of similarity, that the average consumer will not assume that the goods sold under the respective marks come from the same or an economically linked undertaking. It is more likely, in my view, that the average

consumer will regard the GERMEX product as a competitor of ZERMEX. **There is no likelihood of direct confusion. In view of the above, the opposition based on section 5(2)(b) of the Act fails.**

The section 5(3) ground of opposition

Legislation and the relevant authorities

42. Section 5(3) of the Act reads⁸:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

43. The scope of Section 5(3) has been considered in a number of cases most notably: *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] FSR 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, C.A. *Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Davidoff & Cie SA v Gofkid Ltd (Davidoff)* [2003] ETMR 42, *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd (Adidas-Salomon)* (C-408/01) & in *Intel Corporation Inc v CPM (UK) Ltd (“Intel”)* (C-252-07). The ECJ has also now delivered its judgment in Case C-487/07, *L'Oréal SA v Bellure NV*. I have taken these decisions and judgments into account and will refer to them (where they are relevant) and the principles that they enshrine later in my decision.

Reputation

44. The earlier mark must have a reputation. In *Chevy* the ECJ stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

⁸ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (C-408/01).

45. Consistent with my earlier finding in relation to distinctiveness, it seems to me that a significant part of the public concerned with the goods in question will know of the ZERMEX mark. It is difficult, however, to place this finding much higher than that. It may be that the ZERMEX product is very well known, however, the evidence does not demonstrate this (see my comments in paragraph 15 above). Furthermore, in terms of the nature of the reputation, there is nothing in the evidence to suggest that the ZERMEX product is highly sought after or desirable or that its reputation is based on some other attractive characteristic. Whilst it may be purchased by some and has a reasonable market share, that is as much as can be said.

The “link”

46. For a ground under section 5(3) to operate I must be satisfied that a link will be made between the respective marks (and their goods). In *Adidas-Salomon*, when answering a question as to whether a finding under article 5(2) of the Directive⁹ (equivalent to section 5(3) of the Act) was conditional upon the existence of a likelihood of confusion, the ECJ stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).

The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

47. In *Intel*, the ECJ provided further guidance on the factors to consider. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, in respect of Article 5(2) of the Directive, *Adidas-Salomon and Adidas Benelux*, paragraph 30, and *adidas and adidas Benelux*, paragraph 42).

42 Those factors include:

⁹ First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (this has now been replaced as of 28 November 2008 by a codifying Directive (2008/95/EC)).

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”

48. The ECJ also stated in *Intel*:

“The fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.”

49. I have already given my views on the factors highlighted in *Intel*. The marks are similar to only a low degree; the goods (and consequently the relevant section of the public) are identical; the mark has a reputation but I could not find that it is the strongest of reputations; the earlier mark is highly distinctive; there is no likelihood of confusion. In terms of whether all this will create a link, it is my view that the respective factors combine so that the average consumer is, just, likely to bring the earlier mark to mind if the latter mark were encountered. This is because the earlier mark is a mark known to a significant proportion of them, whilst the similarity was not sufficient (taken together with all the other factors) to cause confusion they nevertheless have some similarity which would render, bearing in mind the identical goods in question, a bringing to mind. This is enough to establish the required link.

Damage

50. Dimminaco’s pleading reads thus:

“Further, in the alternative, it is submitted that UK application No. 2425284 GERMEX should be refused under the provisions of Section 5(3) of the Trade Marks Act 1994. The trade marks GERMEX and ZERMEX are closely similar as submitted above and the Opponents’ ZERMEX trade mark enjoys a reputation in the United Kingdom in relation to “Veterinary preparations and substances for use in connection with the treatment against parasites in sheep”.

As such, use of the Applicant's closely similar trade mark GERMEX would without due course take unfair advantage or be detrimental to a distinctive character or repute of the opponent's earlier trade mark by falsely creating a connection between the respective products leading consumers to directly confuse the ZERMEX and GERMEX products or believe them to be related."

51. It is clear from the pleading that the unfair advantage that is said to be taken is based on "falsely creating a connection between the products". Given my findings under section 5(2) of the Act I do not see how Dimminaco can be in any better position in relation to its pleaded ground. Further explanation of its ground comes in Dimminaco's submissions, it is stated:

"As such, we submit that the Applicant's use of the closely-similar trade mark GERMEX would, without due cause, take unfair advantage of, or be detrimental to the distinctive character or repute of the opponent's earlier trade mark, by falsely creating a connection between the respective products, leading customers to believe that the products were somehow related.

Unfair advantage would be gained by the applicant allowing them to trade off the reputation of the ZERMEX brand as built up by the opponent. Potential detriment is caused to the opponent if the applicant's products are of inferior quality or do not live up to the exacting high standards exercised by the opponent."

52. On the basis of the above submission, the damage is, again, linked to consumers believing that the goods are related. As I have said, Dimminaco cannot succeed on this basis. Even if I could consider any wider form of damage absent an assumption of economic connection, I still do not consider that Dimminaco can succeed. In *L'Oréal SA v Bellure NV* the heads of damage were explained thus:

"38 Those types of injury are, first, detriment to the distinctive character of the mark, secondly, detriment to the repute of that mark and, thirdly, unfair advantage taken of the distinctive character or the repute of that mark (see, to that effect, *Intel Corporation*, paragraph 27).

39 As regards detriment to the distinctive character of the mark, also referred to as 'dilution', 'whittling away' or 'blurring', such detriment is caused when that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the

goods or services for which it is registered, is no longer capable of doing so (see, to that effect, *Intel Corporation*, paragraph 29).

- 40 As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.
- 41 As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.
- 42 Just one of those three types of injury suffices for Article 5(2) of Directive 89/104 to apply (see, to that effect, *Intel Corporation*, paragraph 28).”

53. There is no claim at all to dilution. In relation to free-riding, I cannot see what image is being transferred from ZERMEX to GERMEX. If the consumer does not believe that the goods are from an economically linked undertaking then I do not see what advantage is being taken. In relation to the argument about inferior quality, this does not fit in with the explanation given for tarnishing, nor do I see why, without a belief that the goods come from an economically linked undertaking, the ZERMEX mark would be tarnished. If the consumer thinks that the goods come from a different unrelated undertaking then goods of poor quality can hardly be said to damage the goods of the unrelated undertaking. In any event, this argument strikes me as nothing more than speculation. **In view of all this, the ground of opposition under section 5(3) also fails.**

Conclusion

54. Given my findings under section 5(2)(b) & section 5(3), the opposition to Cross’ application for registration fails.

Costs

55. Cross have been successful and are entitled to a contribution towards its costs. I hereby order Dimminaco AG to pay Cross Vetpharm Group Limited the sum of £650. This sum is calculated as follows:

Preparing a statement and considering the other side's statement
£400

Considering the other side's evidence
£250

Total
£650

56. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 3rd day of September 2009

Oliver Morris
For the Registrar
The Comptroller-General